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## Viewing cable 09BOGOTA378, PRESIDENTS URIBE AND CHAVEZ MEET, ANNOUNCE JOINT

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### Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

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### Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#09BOGOTA378**.

Reference ID	Created	Released	Classification	Origin
<a href="#">09BOGOTA378</a>	<a href="#">2009-02-05 14:39</a>	<a href="#">2011-08-30 01:44</a>	<a href="#">CONFIDENTIAL</a>	<a href="#">Embassy Bogota</a>

Appears in these articles:

<http://www.semana.com/nacion/wikileaks-venezuela-chavez-para-obama-traves-uribe/159128-3.aspx>

VZCZCXYZ0003  
PP RUEHWEB

DE RUEHBO #0378/01 0361439  
ZNY CCCCC ZZH  
P 051439Z FEB 09  
FM AMEMBASSY BOGOTA  
TO RUEHC/SECSTATE WASHDC PRIORITY 6886  
INFO RUEHCV/AMEMBASSY CARACAS 1611  
RUEHBR/AMEMBASSY BRASILIA 8621  
RUEHLP/AMEMBASSY LA PAZ FEB LIMA 6954  
RUEHZP/AMEMBASSY PANAMA 2966  
RUEHQT/AMEMBASSY QUITO 7659

C O N F I D E N T I A L BOGOTA 000378

SIPDIS

E.O. 12958: DECL: 01/31/2019  
TAGS: [ECON](#) [EFIN](#) [EINV](#) [PGOV](#) [PREL](#) [VE](#) [CO](#)  
SUBJECT: PRESIDENTS URIBE AND CHAVEZ MEET, ANNOUNCE JOINT  
FUND TO CONFRONT GLOBAL FINANCIAL CRISIS

REF: A. 07 BOGOTA 800  
[1](#)B. 07 BOGOTA 4243

Classified By: ECONOMIC COUNSELOR LAWRENCE J. GUMBINER FOR

#### REASONS 1.4 (B) AND (D)

11. (C) SUMMARY: In Venezuelan President Hugo Chavez' first visit to Colombia since the March 2007 diplomatic row over the GOC killing of FARC Secretariat member Raul Reyes (Ref A), President Uribe and he announced the creation of a USD 200 million joint fund and consultative commission to help businesses in both countries survive the global economic downturn. Although the plan is short on details, GOC officials say the fund will concentrate on assisting small and medium enterprises as well as promote infrastructure development along the shared border. There was little progress on other trade issues of importance to Colombia. Chavez reportedly sought Uribe's help to reach out to the USG, but Uribe said it would be difficult to do so given the increasing drug traffic through Venezuela. This lack of clear progress on economic issues, coupled with the inherent volatility of the Colombian-Venezuelan relationship, augur poorly for substantial progress from this latest meeting. END SUMMARY.

#### Making Up with Big Ideas

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12. (SBU) Presidents Uribe and Chavez met for the first time since July of 2008 in Cartagena on January 24, focusing on the bilateral trade relationship and shared concern over the regional impact of the global financial crisis. The leaders highlighted the increase in bilateral trade to a record USD 7.2 billion in 2008, with Chavez predicting trade would reach USD 10 billion in 2009 despite falling oil prices and consequent drops in Venezuelan purchasing power. Against this backdrop, the presidents announced plans to create a USD 200 million investment fund to support businesses and infrastructure development in their border regions as a stimulus against a recession.

#### We'll Fill in the Details Later

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3.(C) The decision on the funds was reached in a non-systematic manner. Venezuelan Embassy Commercial Counselor Eduardo Delgado told EconCouns that during the discussion Chavez blurted out, "I'll put in \$100 million." Not to be outdone, Uribe turned to his Ministers of Trade and Commerce and stated "We will do the same; we have the funding through (state development bank) Bancoldex, no?" The Finance Ministry has been charged with putting the pieces together from the Colombian end. Public Credit Director Viviana Lara confirmed to Econoff that Colombia's USD 100 million contribution would come from recent credits that Bancoldex received from the World Bank, the Inter-American Development Bank (IDB), and the Andean Development Corporation (CAF). This was news to those institutions' local representatives, none of whom had been contact by or consulted with on this proposal. IDB resident representative Rodrigo Parot told EconCouns that Bank credits were subject to pre-existing contracts and that the GOC did not have flexibility to alter the destination of the funds. World Bank representative Eduardo Somensatto was more blunt: "We are not involved in this initiative, and we will not be." Only the CAF's Freddy Rojas indicated to EconCouns that there might be space to utilize existing credits for the purposes agreed upon by Uribe and Chavez.

14. (C) The GOC's goal is to develop a implementation plan with identified small business and infrastructure plan by the next scheduled bilateral presidential meeting in Caracas April 28. Lara emphasized that the infrastructure component was completely separate from recent announcements of new public-private infrastructure investment fund and the GOC's ambitious mega-project infrastructure plan for 2009 (ref B). The BRV will resist involving the multilateral bank community in this initiative because of continued bad blood, according to Delgado. The Venezuelans would prefer to structure the joint operation similar to the system presently applied to bilateral funds with China and others.

## Little Progress on Colombian Trade Issues

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¶5. (SBU) In addition to the establishment of the joint investment fund and the appointment of new bilateral ambassadors (Maria Luisa Chiappe as Colombia's Ambassador to Venezuela and former trade minister Gustavo Marquez as Venezuelan Ambassador to Colombia), the Presidents also announced the creation of a binational economic commission comprised of the foreign and economic ministers and their staffs to analyze the impact of the global financial crisis and identify steps to expand bilateral trade.

¶6. (C) However, no significant progress was made on Colombia's most pressing trade concern with Venezuela--increased market access for Colombian-manufactured automobiles and auto parts. Colombia exported some 45,000 vehicles to Venezuela in 2007, but only about 15,000 in 2008 in the face of Venezuelan-imposed quotas. According to Colombian Trade Ministry's Director of Economic Integration Alfredo Ramos, Venezuelan vehicle quotas for 2009 have still not been set, though the talks in Cartagena touched on how Venezuela might increase Colombia's quota on certain types of vehicles. Delgado, while optimistic about the continuation of strong bilateral trade, confessed that he saw little chance that the Colombian quota could be expanded in any significant manner.

¶7. (SBU) Likewise, the two sides made little progress in defining what kind of agreement would govern bilateral trade starting in 2011, when Venezuela's commitments based on its former membership in the Andean Community of Nations (CAN) expire. Ramos told us that the Venezuelans favor some sort of economic complementarity agreement, with a focus on cooperative projects. While Colombia would prefer a model closer to a free trade agreement, Ramos admitted that the GOC was willing to do whatever was necessary to ensure the continued flow of bilateral trade.

## Chavez Seeks Uribe's Help With USG

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¶8. (C) Presidential Communications Director Jorge Mario Eastman told us that in the private meeting, Chavez asked Uribe to pass the message to President Obama that he should "leave Chavez alone" and allow bilateral relations to improve. Uribe reportedly replied that it would be difficult to pass such a message given the increasing narcotrafficking activity in Colombia. According to Delgado, Uribe told Chavez that the upcoming Summit of the Americas in Trinidad would offer a logical opportunity for Obama and Chavez to meet and get the relationship on a better footing. Uribe also gave Chavez the coordinates of nine FARC camps in Venezuela.

## Comment: More Optics than Substance

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¶9. (C) The Uribe-Chavez meeting satisfied both leaders' need for positive political symbolism after a raucous year in the Colombian-Venezuelan relationship. The fund and commission proposals were clearly last-minute initiatives that had not been staffed. Similar to Uribe's snap decision to join the Bank of the South on the margins of a 2007 meeting with Chavez (ref C), the announcements stemmed largely from the President's own initiative, sending technical officials scurrying to craft the details after the fact. Rather than real progress on the bilateral trade issues of genuine significance, Colombia is now left with a half-baked fund/commission proposal. The GOC considers this the "foot in the door" to construct a more positive economic relationship with its volatile neighbor, but it is equally likely that the fund and commission, announced with such fanfare, will wilt away when faced with the hard realities of financing and operating these projects in the midst of a deepening global crisis.

BROWNFIELD